



**APPROVED**  
**July 31, 2017**

**MINUTES**  
**of the Special Meeting**  
**Monterey Regional Water Pollution Control Agency**  
**Board of Directors**  
**July 10, 2017**

**1. CALL TO ORDER**

The Special Meeting of the Board of Directors of the Monterey Regional Water Pollution Control Agency was Called to Order by Chair Fischer at 6:02 p.m., on Monday, July 10, 2017 in the Board Room at 5 Harris Court, Building D, Monterey, California.

**2. ROLL CALL**

**BOARD MEMBERS PRESENT:**

Rudy Fischer, Chair	Pacific Grove
Ron Stefani, Vice Chair	Castroville Community Services District
Linda Grier arrived at 6:08 PM	Boronda County Sanitation District
Thomas Moore	Marina Coast Water District
Dennis Allion	Del Rey Oaks
Timothy Barrett	Monterey
James R. Cochran	Moss Landing County Sanitation District - Ex-Officio
Mary Ann Carbone	Sand City
Ralph Rubio (Mayor)	Seaside
Vacant – Ex-Officio	United States Army

**BOARD MEMBERS ABSENT:**

John M. Phillips	County of Monterey
Gloria De La Rosa	Salinas

**MRWPCA STAFF PRESENT:**

Paul A. Sciuto	General Manager
Tori Hannah	Chief Financial Officer
Bob Holden	Principal Engineer
Rob Wellington	Legal Counsel
Mike McCullough	Government Affairs Administrator

Leara Sampson  
Yohana Vargas  
Alma Garcia  
Jennifer Gonzalez

HR Administrator  
Contracts Administrator  
Admin Support Specialist  
Engineering Manager

**OTHERS PRESENT:**

Joel Balam – Principal Financial Group  
Brian Copin – Peninsula Management

**3. PLEDGE OF ALLEGIANCE**

Member Cochran led the pledge of allegiance.

**4. PUBLIC COMMENTS**

Chair Fischer called for Public Comments - none received.

**5. CONSENT AGENDA - NONE**

**6. ACTION ITEMS**

- A. Consider Approval of a Contract Increase with Kennedy/Jenks Consultants for Engineering Services During Construction for the Pure Water Monterey – Advanced Water Purification Facility and Product Water Pump Station for a Not to Exceed Amount of \$2,452,405

Mr. Holden introduced this item and asked the Board to approve an Engineering Services During Construction contract entering with Kenned/Jenks Construction. Kennedy/Jenks would inspect offsite equipment before it gets delivered, would answer questions, and help with change orders. The contract amount would be for \$2,452,405 with a 10% contingency, for a total cost of \$2,697,645.50. Mr. Holden clarified for the Board that this contract is a whole new contract.

Linda Grier arrived at 6:08PM.

**ACTION TAKEN: It was moved by Member Rubio, seconded by Member Barrett to Approve a Contract Increase with Kennedy/Jenks Consultants for Engineering Services During Construction for the Pure Water Monterey – Advanced Water Purification Facility and Product Water Pump Station for a Not to Exceed Amount of \$2,452,405, with a 10% Contingency, for a Total Cost of \$2,697,645.50, and carried by the following vote:**

**Ayes: Fischer, Stefani, Moore, Grier, Allion, Barrett, Carbone, Rubio**  
**Noes: None**  
**Absent: Phillips, De La Rosa**

**B. Consider Award of Contract to Anderson Pacific Engineering for the Construction of the Pure Water Monterey – Advanced Water Purification Facility and Product Water Pump Station in the Amount of \$47,932,005**

Mr. Holden provided background information on this item, and how they went through a process of trying to get input from contractors and others, and made changes in the contract to make the experience requirements more in line where they should be and ended up with six bids. Mr. Holden recommended that the Board find the bid from Balfour Beatty as nonresponsive, since the bid received by Balfour Beatty was incomplete. Balfour Beatty submitted a letter indicating that there was a problem with Procore, the electronic bid management system used to receive these bids. None of the other five contractors had any problems submitting their bids. A letter was sent to Balfour Beatty stating that a recommendation to the Board would be made to find their bid as incomplete and nonresponsive.

The low bid was Anderson Pacific with a bid of \$47,932,005 and according to the Procurement Policy contingency; the maximum contingency is \$1,000,000, for a total of \$48,932,005.00.

The Board expressed concern with Procore and requested a presentation of why the system is needed, what the advantages are and data on a wider scale on the types of malfunctions or problems they have experienced systemwide. Staff will present to the Board the process they went through to select Procore.

Another concern expressed by the Board was that Anderson Pacific was leaving three to four million on the table. The Board wants to make sure nothing was missed and that everything was covered in the contract amount.

**ACTION TAKEN: It was moved by Member Barrett, seconded by Member Rubio under one motion to find the bid submitted by Balfour Beatty is non-responsive and award the base bid and both alternate bid items for the construction of the Pure Water Monterey-Advanced Purification Facility and Product Water Pump Station to Anderson Pacific Engineering in the amount of \$47,932,005 with a \$1,000,000 contingency, for a total cost of \$48,932,005, and carried by the following vote:**

**Ayes: Fischer, Stefani, Moore, Grier, Allion, Barrett, Carbone, Rubio**  
**Noes: None**  
**Absent: Phillips, De La Rosa**

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- C. Consider Approval of an Increase to the Contract with Kennedy/Jenks Consultants for Additional Design Services Due to Changes to the UV/AOP System for the Advanced Water Purification Facilities for a Not to Exceed Amount of \$20,622.

Mr. Holden introduced this item and provided background information related to pre-purchased equipment. One of those items included the ultraviolet light advanced oxidation process. The cost for the design is \$20,622. They agreed to pay – change order to them, deducted from their contract.

**ACTION TAKEN: It was moved by Member Allion, seconded by Member Moore to Approve an Increase to the Contract with Kennedy/Jenks Consultants for Additional Design Services Due to Changes to the UV/AOP System for the Advanced Water Purification Facilities for a Not to Exceed Amount of \$20,622, and carried by the following vote:**

**Ayes: Fischer, Stefani, Moore, Grier, Allion, Barrett, Carbone, Rubio**

**Noes: None**

**Absent: Phillips, De La Rosa**

- D. Consider Approval of Resolution NO. 2017-25 – Appointing Trustees to the Monterey Regional Water Pollution Control Agency 457(b) Plan, MRWPCA 457(b) Plan Document Trust Agreement, Resolution NO. 2017-26 – Approval and Adoption of the 457(b) Plan 2012 Required Amendment, and Resolution No. 2017-27 – Approval and Adoption the 457(b) Plan Summary of Material Modifications.

Mr. McCullough introduced Joel Balam who is from Principal Financial Group. Mr. Balam indicated there are only five companies in California that offer 457(b) plans.

Mr. Copin explained that the Investment Fiduciaries are people that have a fiduciary relationship with the employees and participants. The Trustees would be anyone handling the money within the plan. Plan Administrator is the company. The Company is the Agency.

Mr. McCullough explained that the Investment Committee consisted of Leara Sampson, Jennifer Gonzalez, Lindsay Synstebly, Paul Balone, Robert Locke, Bill Confer, Kimberly Bates and himself. The Investment Committee would continue as a committee, continue to meet regularly and monitor the investments.

The trustees are in charge of making sure the money gets deposited properly, and making sure the money gets distributed properly. The investment committee gives the authority to the trustees to invest with Principal. The resolutions that the Board are authorizing are specific to the Trust Agreement and other resolutions about the plan.

**ACTION TAKEN:** It was moved by Member Allion, seconded by Member Moore to Approve Resolution NO. 2017-25 – Appointing Trustees to the Monterey Regional Water Pollution Control Agency 457(b) Plan, MRWPCA 457(b) Plan Document Trust Agreement, Resolution NO. 2017-26 – Approval and Adoption of the 457(b) Plan 2012 Required Amendment, and Resolution No. 2017-27 – Approval and Adoption the 457(b) Plan Summary of Material Modifications under one motion, and carried by the following vote:

**Ayes:** Fischer, Stefani, Moore, Grier, Allion, Barrett, Carbone, Rubio

**Noes:** None

**Absent:** Phillips, De La Rosa

**7. STAFF REPORTS**

**A. General Manager/Assistant General Manager/Legal Counsel**

Mr. Sciuto provided an update on Chayito's new baby with a picture on the screen.

**B. Presentation: Network Security/Board Agenda Management, Larry Stowbunenko, IT Administrator**

Mr. Stowbunenko gave a detailed presentation on the network upgrade. The aging firewalls were replaced and now work is on virtual networks, which makes security easier to manage. Homeland Security provides a service that is a cyber hygiene where they scan the outside sources/servers for any threats. This is done weekly. Upgrading to the email system to Office 365 will take place soon.

Mr. Stowbunenko also gave a demonstration on agenda management which was well received by the Board. The cost is about \$299 per month, which would be offset by time savings of agenda submittals, packet preparation, agenda requests and minutes preparation.

**8. BOARD MEMBER COMMENTS/REPORTS (none)**

Chair Fischer recessed Open Session and commenced Closed Session at 7:30 PM

**9. RECESS TO CLOSED SESSION**

**A. Conference with Legal Counsel – Existing Litigation (Administrative Proceeding)**

*Pursuant to Government Code 54956.9(d)(1)*

Case: Application of CalAm Water for Approval of Monterey Peninsula Water Supply Project; CPUC No. A. 12-04-019

**B. Conference with Real Property Negotiators**

*Pursuant to Government Code 54956.8*

Property: 2100 Sunset Drive, Pacific Grove – Esplanade Street between Shell Avenue and Ocean View Blvd.

Agency Negotiator: Paul A. Sciuto, General Manager

Negotiating Parties: City of Pacific Grove

Under Negotiation: All Terms and Conditions

**C. Conference with Real Property Negotiators**

*Pursuant to Government Code 54956.8*


Property: Conveyance Pipeline  
Agency Negotiator: Paul A. Sciuto, General Manager  
Negotiating Parties: Marina Coast Water District  
Under Negotiation: All Terms and Conditions

**13. ANNOUNCEMENTS FROM CLOSED SESSION**

Legal Counsel Wellington reported that the Board came back into Open Session at 8:17 PM. He announced that in Closed Session the Board considered Items 9-A (Conference with Legal Counsel – Existing Litigation (Administrative Proceeding)), 9-B (Conference with Real Property Negotiators), and 9-C (Conference with Real Property Negotiators)

**14. ADJOURNMENT**

At 8:18 PM with no further business, Chair Fischer adjourned the meeting to the next regularly scheduled Board Meeting to be held in the Board Room at 5 Harris Court, Building D, in Monterey, California on Monday July 31, 2017 at 6:00 p.m.

  
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Paul A. Sciuto, General Manager  
Secretary to the Board

  
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Rudy Fischer, Chair  
MRWPCA Board of Directors